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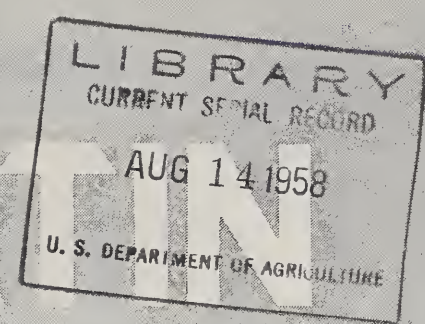
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THE

Market Administrator's

BULLETIN



Columbus

Fred W. Fisher
MARKET ADMINISTRATOR

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ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

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Sales of Whole Milk Reached New High Record in 1957

The use of milk for production of farm-separated cream, for retailing by farmers, and for making farm butter has been on a steady downtrend for a number of years. As a result, sale of whole milk by farmers has increased even more rapidly than production. From 1956 to 1957, sales of whole milk to plants and dealers increased about 3 billion pounds, compared with an expansion in farm production of milk of about 1 billion pounds. Since 1948, sales of whole milk by farmers have increased each year, though total milk production declined in some years. From 1948 through 1957, sales of whole milk increased 43 per cent, while production of milk increased only 12 percent. Decreased use of milk on farms and increased production of milk are likely to continue for the next several years, though the changes may not be as large as they have been on the average in the past decade.

The shift from sale of farm-separated cream to whole milk enables farmers to realize a greater cash return per hundredweight of milk products. Farmers also sell more whole milk now because whole milk receiving plants have been more generally available. On many farms, the shift away from separating of milk has come with changed production methods.

Declines in the number of farms engaged in milk production and total number of people living on such farms, also have influenced disposition of milk. The

4 percent decline a year in the number of farms engaged in milk production during most of the last decade is a major reason for the decline in use of milk on farms where produced.

In 1957, only 10 percent of the milk production was used on farms where produced, including about 2.3 percent fed to calves. In the late 1920's and throughout the 1930's, the total percentage ranged in excess of 20. The proportion used for feeding calves has changed little, but the percentage accounted for by consumption on farms where produced dropped from 13 percent in 1924 to 5.9 percent in 1957. Farmers consumed as butter a little over 2 percent of their milk production in 1957, compared with more than 10 percent in the mid-1920's.

Sales of whole milk, in proportion to production of milk on farms, reached the three-quarter mark in 1956 and reached 78 percent in 1957. This is more than double the percentage 29 to 30 in the mid-1920's, compared with not over 40 percent through 1937, and not over 50 percent until 1953. Use of milk in production of farm-separated cream has shown the opposite trend. In the mid-

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Milk Production Likely to Set 6th Successive Record in 1958

Although farmers began 1958 with 2 percent fewer milk cows than a year earlier, production of milk per cow has continued well above that of early 1957. First quarter output totaled 30.2 billion pounds, compared with 30.1 billion a year earlier. Production in January was up 1 percent but in February and March output was depressed by adverse weather in east and south. With very large supplies of feed concentrates and roughages and relatively favorable milk-feed price relationships, production is likely to average higher than a year earlier in all months of 1958. For the year as a whole, the total probably will exceed the record 126.4 billion pounds of 1957 by around 1 billion pounds.

Until the 1940's, production of milk in the U. S. increased in most years and kept pace with the gains in population. Production expanded sharply at the beginning of World War II, rising from 105.8 billion pounds in 1938 to 118.5 billion in 1942. During the war, however, the milk supply was barely maintained, despite a general pricing policy that favored dairy products over alternative livestock products.

In 1945, the last year of the war, pastures were unusually good, and production reached a record of 119.8 billion pounds. Milk output slid off following the war, however, as grain prices were

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Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	
Producers' Uniform Price (4%)	
Class I (3.5%)	
Class II (3.5%)	
Class III (3.5%)	
Class IV (3.5%)	
Producer Butterfat Differential for each 1/10%	

April 1958	March 1958	April 1957
\$3.81	\$4.34	\$4.07
4.16	4.695	4.435
4.350	4.493	4.57
3.950	4.093	4.17
3.350	3.993	3.49
2.927	3.070	3.07
7.0¢	7.1¢	7.3¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	
" " " B.F. " " I	
" " " Milk " " II	
" " " B.F. " " II	
" " " Milk " " III	
" " " B.F. " " III	
" " " Milk " " IV	
" " " B.F. " " IV	

78.0	80.9	80.8
76.6	78.9	79.0
9.2	10.1	10.9
2.5	2.6	3.3
8.9	3.9	5.6
14.8	3.6	13.1
3.9	5.1	2.7
6.1	14.9	4.6

PRODUCTION SUMMARY

Total Pounds of Producer Milk Delivered	
Average Daily Class I Producer Milk	
Total Number of Producers	
Average Daily Production per Producer	
Average Butterfat Test	
Total Value of Producer Milk at Test	
Income per Producer (7 Day Average)	

25,127,358	25,204,863	24,307,929
653,042	657,784	654,542
1,821	1,833	1,899
460	444	427
3.73	3.78	3.77
\$1,086,769.55	\$1,145,132.08	\$1,121,003.68
\$139.25	\$141.07	\$137.74

GROSS CLASS USE (Pounds)

Class I Skim	
" I B.F.	
" I Milk	
" II Skim	
" II B.F.	
" II Milk	

19,011,795	19,789,623	19,068,457
718,332	753,274	724,142
19,730,127	20,542,897	19,792,599
2,308,965	2,586,839	2,703,717
23,313	24,914	29,772
2,332,278	2,611,753	2,733,489

AVERAGE DAILY SALES (Quarts)

Milk	
Buttermilk	
Chocolate	
Skim	
Cream	

268,855	265,337	268,478
5,817	5,422	5,740
13,409	13,331	13,216
9,615	9,399	8,669
7,581	7,501	7,586

COMPARATIVE STATISTICS ★

COLUMBUS MARKETING AREA

★ **APRIL, 1949-58**

Year	Receipts from from Producers	Average Butter- fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1949.....	18,096,928	4.05	67.0	8.0	17.8	7.2	3.53	3.663	3.414	3.357	3.060	2,936	252
1950.....	18,239,921	4.10	69.7	21.0	9.3	—	3.55	3.714	3.314	2.988	—	2,339	260
1951.....	18,804,322	4.01	72.2	24.6	3.2	—	3.43	4.482	4.082	3.464	—	2,097	299
1952.....	19,163,332	3.97	74.7	21.9	3.4	—	4.50	4.979	4.597	3.769	—	2,101	304
1953.....	22,805,590	3.93	68.8	21.4	9.8	—	4.02	4.565	4.165	3.489	—	2,229	341
1954.....	24,780,492	3.86	67.3	7.4	11.8	13.5	3.41	4.046	3.646	3.286	3.110	2,195	376
1955.....	25,320,226	3.77	69.0	8.3	12.7	10.0	3.60	4.219	3.819	3.319	3.143	2,091	404
1956.....	25,778,372	3.81	71.8	8.6	11.0	8.6	3.65	4.258	3.858	3.360	3.183	2,056	418
1957.....	24,307,929	3.77	80.8	10.9	5.6	2.7	4.07	4.57	4.17	3.49	3.07	1,899	427
1958.....	25,127,358	3.73	78.0	9.2	8.9	3.9	3.81	4.350	3.950	3.350	2.927	1,821	460

Decline in Milk Cow Numbers Related to Decline in Number of Farms with Cows

In recent years dairy farmers generally have introduced or adopted new farming practices, many of which require a larger scale operation and greater specialization. Many dairy producers decided to expand, and others shifted from dairying to other lines of farming or ceased farming altogether. Between the last two census periods, 1950 and 1954, the number of farms with milk cows declined at least 4 percent a year, but with a nearly offsetting increase in average size of herd. Some indications point to an increase in the rate of decline in cow numbers during the last year or two. Two decades ago, farmers tended to increase or decrease size of herds depending mainly upon price relationships. This influence still operates, but at times it has been obscured by adoption of major technological improvements. The number of milk cows in the U. S. has decreased an average of 1.5 percent a year since 1944 showing a decline each year except 1953. Most indications suggest that the prevailing trends toward fewer but larger farms will continue.

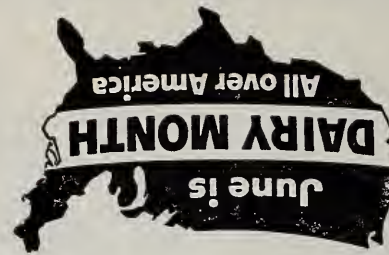
The increase in milk production from the 114.7 billion pounds in 1952 to 126.4 billion pounds in 1957 represents a gain of 10 percent. In this period there was a net reduction of about 4 percent in the number of milk cows, but production per cow increased 15 percent, a gain of about 800 pounds per animal. U. S. average production of milk per cow first

topped the 5,000 pound rate in 1947 and first reached 6,000 pounds in 1956. It rose further in 1957 to 6,162 pounds. Although output of milk per cow usually increases when the number of milk cows declines, because of a tendency to cull lower producing animals, the relatively large gains in recent years, an average of 3 percent a year, were made possible by several important developments. These include improved production capacity of dairy animals through the selection of superior producing stock, use of better quality roughages, and feeding larger quantities of feed concentrates per animal. In the last few years, particularly, price relationships have been favorable to an increased rate of grain feeding. In 1957, for the first time, the U. S. average quantity of concentrates fed per milk cow in commercial dairy farms exceeded 1 ton per year. From 1945 through 1948 this quantity ranged between 1,500 and 1,600 pounds per cow per year; from 1949 through 1954, it ranged mostly between 1,700 and 1,750 pounds, then rose to 1,838 pounds in 1955, to 1,908 in 1956, and 2,018 in 1957. The quantity of concentrates fed per hundredweight of milk produced exceeded 31 pounds in 1957 for the first time since 1949, when supplies of feed grains also were large relative to the number of animal units. The average value of dairy ration was lower in 1957.

Use of Whole Milk for Making Butter Increased Further in 1957

Shifts in the utilization of milk reflect changing patterns of consumer demand and fluctuations in volume of milk bought under the Government purchase program for price support. Since 1949 milk in excess of demand at price support levels has been purchased under the dairy price support program in the form of butter, American cheese, and nonfat dry milk. Though the pattern of milk rise in the last few years has fluctuated slightly from year to year, consumption in the different forms has changed comparatively little, and the increases in overall surplus have been slight. Not much change in utilization patterns is in prospect this year, although slightly lower retail prices for some factory products may bring about a slight increase in per capita consumption.

In 1956 for the first time, more butter was made from whole milk than from farm-separated cream. Some further shifts occurred during 1957. The trend to whole milk has been building for several years. Creamery butter production, net, excluding whey cream, took about 26 percent of total milk sold in 1957, little changed from recent years but in sharp contrast to the 40 to 46 percent which prevailed from 1925 through 1940. This reflects the downtrend in demand for butter and the negligible export market for butter. Among the other manufactured dairy products, all except evaporated milk and dry whole milk utilized about the same or increased amounts of milk as compared with a decade ago.



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Milk Production

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relatively high due partly to large export programs and as demand for dairy products declined. The lowest postwar output was 112.7 billion pounds in 1948, and in other years through 1952 it ranged between 114 billion and 118 billion pounds. The cut-back in 1951 and 1952 accompanied relatively high prices for meat animals and below average milk-feed and butterfat-feed price relationships. In fact, supplies of feed grains per animal unit in those years were considerably lower than they have been in any year since 1952.

The 5 years, 1953-57, can be described generally as years in which supplies of feed concentrates per animal unit increased substantially, when prices for milk products were higher, relative to meat animal prices than in other postwar years, and when milk-feed price relationships were well above average (in 1956 and 1957).

During the past year, meat animal prices again have risen sharply relative to prices for milk products as in 1950-52. In other respects, however, the current situation differs sharply from 1950-52. There is a large supply of feed concentrates on hand, so large, in fact, that even if production of hogs and other livestock should begin to expand, a significant rise in feed prices to dairy-men would not be likely for some time. Consequently, a decline is not likely in total milk output such as occurred in 1951 and 1952.

Market Quotations

April
1958

12 MIDWEST CONDENSERIES 3.5% per Cwt.	\$2.956
5 CONDENSERIES (Cincinnati) 3.5% per Cwt.	2.7756
5 CONDENSERIES (North Central Ohio) 3.5% per Cwt.	2.808
2 CONDENSERIES (Toledo) 3.5% per Cwt.	2.806
4 CONDENSERIES (Tri-State) 3.5% per Cwt.	2.825
Evaporated Milk Code Price, 3.5% per Cwt.	2.737
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati)	3.0987
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.05
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton)	3.074
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo-Tri-State)	2.948
Average Weekly Cheddars price per lb.31057
Average price per lb. non-fat dry milk solids, roller process delivered Chicago12956
Average price per lb. 92-score butter at Chicago57750
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant13405

Sales of Whole Milk

(continued from page one)

1920's, more milk was sold as farm-separated cream than as whole milk, but by 1957 this accounted for only 1/10 of production. Use of milk for retailing by farmers and for farm butter sold has steadily declined and together now take less than 2 percent of the milk production.

The increased quantity of solids-not-fat which has moved off farms, as farmers shifted their methods of selling milk, has been used in a number of products other than nonfat dry milk. As the domestic market for dairy products expands in the future, the solids-not-fat component of milk will continue to be used in the numerous different forms. The skimmed milk which at present does not leave farms is sufficient to make about 1 billion pounds of nonfat dry

milk. In 1957, 1.7 billion pounds of this product was produced. Currently the surplus is larger for milk solids-not-fat than for milkfat. But production of non-fat dry milk has reached successive high records mostly because it is purchased under the price support program to give general support to the price of whole milk to farmers.

Total farm marketings of milk in all forms in 1957 reached 113 billion pounds, which returned to farmers an average of about \$4.10 per hundred-weight. Producers' cash receipts from milk reached 4,643 million dollars in 1957, compared with 4,478 million dollars in 1956 and the previous record high of 4,567 million dollars in 1952. Prospects for 1958 point to somewhat larger sales of milk by farmers than in 1957, but lower prices probably will more than offset the increased volume.